As your personal and financial situations evolve, it is important that you are prepared to meet your changing needs with adequate resources. The type of insurance policy you purchase will depend on your current needs, budget and cash value accumulation goals.

I invite you to contact me for a comprehensive assessment of the options available for you and your family. Together, we can review your coverage needs and explore options that would allow you to build equity for the future.

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LPL INSURANCE ASSOCIATES

Is it Time to Convert Your Insurance Policy?

Term vs. Permanent

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You already know that life insurance is one of the best ways to protect your family from financial hardship in the event of an untimely death. What you may not know is that life insurance products are evolving every year. As new forms of life insurance are developed, more flexible options become available. And, in many cases, these new options may be more competitively priced than older policies.

If you have a term insurance policy, it may be worth taking a look at permanent insurance. Some of the benefits include:

- Lifetime Death Benefit
- Tax-deferred cash value accumulation
- Access to cash value
- Flexibility and control

Term Insurance vs. Permanent Insurance

Term insurance is a form of temporary insurance that provides a lump-sum payout upon death for a stated period of time. Since term insurance can be purchased in large amounts and for a relatively small expense, it is most suitable for income replacement and short-range goals.

Permanent life insurance, on the other hand, is a form of lifetime coverage that may play an import role in retirement and estate planning. With permanent life insurance, most policy premiums stay the same and can provide protection for you and your loved ones throughout your lifetime, as well as build cash value that you can use in retirement. Permanent life insurance is more appropriate when insurance needs are long term or if you want to accumulate cash value.

Converting Your Term Insurance to a Permanent Policy

Many times you can convert your current term insurance policy to a permanent policy for the same amount of coverage you currently hold. When you convert your current term policy into a permanent policy, you do not have to provide additional evidence of insurability. This can be a great benefit if you purchased your term policy when you were younger and in good health.

By converting to a permanent policy, you may reap the benefits of locking in permanent rates at a more affordable premium due to not having to provide evidence of insurability at your older age. Also, permanent products offer a guaranteed death benefit and level premiums for the life of the policy, as well as build cash value for future needs.

Understanding the Types of Permanent Insurance

There are a variety of permanent insurance options to choose from:

- Universal Life is a form of permanent insurance that provides flexible premium, death benefit and cash value options. This flexibility is important since accumulation and death benefit needs change over time. By adding optional riders, you can customize the policy to meet your needs.
- Variable Universal Life offers all the flexibility of universal life protection, and also offers a variety of investment options whose values vary based on market performance. Consequently, these policies may be suitable for those willing to assume investment risk.*
- Survivorship life insurance covers two individuals on one policy, paying a death benefit upon the second death (when estate taxes are due). For married couples looking to fund their estate tax liability, survivorship life insurance is possibly the most cost effective method. It can be considerably less expensive than insuring each spouse independently.

** Variable insurance guarantees are based on claims paying ability of the issuer. Withdrawals made may be subject to fees when distributed, and treated as ordinary income. Outstanding policy loans at death, and withdrawals, will reduce the policy death benefits and cash values. The investment returns and principal value of the available sub-account portfolios will fluctuate so that the value of an investor's unit, when redeemed, may be worth more or less than their original value.*